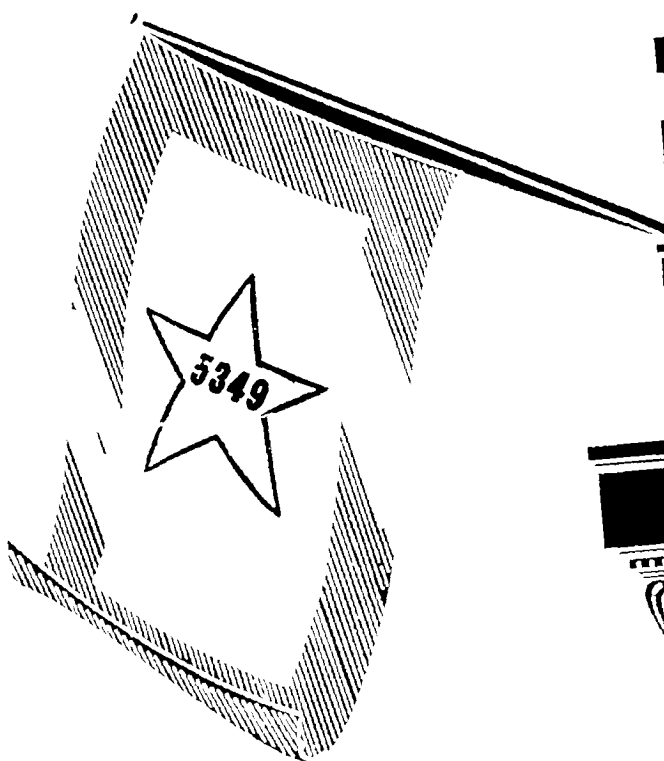




**ANNUAL REPORT**  
**For the Year Ended**  
**December 30, 1944**



*Died in the Service  
of their Country*  
64

# AMERICAN STORES CO.

424 NORTH NINETEENTH STREET  
PHILADELPHIA, PA.

OFFICE OF THE PRESIDENT

To the Stockholders of  
American Stores Company:

The consolidated balance sheet as of December 30, 1944 and the statement of consolidated income and surplus for the fiscal year ended that date, together with the certificate of Barrow, Wade, Guthrie & Co., independent public accountants, are submitted herewith.

Total sales for the year of \$227,630,084 were approximately 7.3% higher than the 1943 sales of \$212,082,181. Net income, after provision for Federal and State income and excess profits taxes, was \$1,831,590, or \$1.40 per share, compared with \$1,709,084, or \$1.31 per share, in the preceding year. Dividends amounting to \$1,301,320, or \$1.00 per share, were paid to stockholders.

At the year end 2020 retail stores were in operation, a decrease of 46 units during the year. The number of self-service supermarkets, however, was increased by 16. Further construction and alterations required in opening new markets or converting service stores to self-service markets was restricted by Government regulation.

Settlement of renegotiable Government contracts for 1943 was effected under the provisions of the Renegotiation Act, no refund being necessary. Profits from war contracts in 1944 being within the range of margins of the preceding year, it is not expected that any refund will be required in respect of that period.

At the close of the year 5349 employees had entered military service. During the year 173 honorably discharged veterans, the majority of whom were former employees, were employed by the Company. We regret to inform you that 64 former employees made the supreme sacrifice. I am sure that all stockholders join the management and employees in paying tribute not only to those who have lost their lives but to all other fellow-workers serving with our forces.

The food requirements of the armed forces and other Government agencies are now so heavy that it is impossible to meet entirely the demands of our customers. Throughout the war emergency the Company has cooperated with the Government in its efforts to hold the cost of living down and prevent inflation. The effectiveness of this program is borne out by the Bureau of Labor Statistics which indicates that food costs during the year rose only 0.2%.

A training program for employees was instituted during the year. Fourteen schools are now in operation, giving valuable instruction in various phases of store operation. The management and the employees are cooperating in their efforts to give the public the best possible service under wartime conditions.

Respectfully submitted,

WILLIAM PARK,  
President.

February 28, 1945.

# AMERICAN STORES COMPANY

and Subsidiary Companies

## Consolidated Balance Sheet

December 30, 1944

### ASSETS

Current Assets		
Cash .....	\$	9,231,819
Notes and Accounts Receivable:		
Due from U. S. Government.....	\$	610,391
Notes and Other Accounts Receivable.....		915,506
		<u>1,525,897</u>
Inventories—at lower of cost or market.....		20,094,113
		<u>30,851,829</u>
Total Current Assets.....		
		30,851,829
Mortgages, etc. ....		142,580
Post-War Refund of Federal Excess Profits Tax.....		70,530
Fixed Assets		
Land, Buildings, Machinery, Equipment, Fixtures, etc.—		
at cost .....		21,250,798
Less: Reserve for Depreciation.....		<u>10,298,069</u>
		10,952,729
Unamortized Cost of Leasehold Improvements.....		156,474
Goodwill .....		1
Deferred Charges		
Prepaid Insurance, Taxes, etc. ....		314,817
		<u>\$ 42,488,960</u>

### LIABILITIES AND CAPITAL

Current Liabilities		
Notes Payable—Banks .....	\$	2,100,000
Accounts Payable and Accrued Charges.....		4,752,713
Dividend Payable January 2, 1945.....		325,330
Accrued Federal and State Taxes.....		695,176
Reserve for Federal Income and Excess Profits Taxes.....	\$	4,905,638
Less: U. S. Treasury Tax Notes.....		<u>3,010,000</u>
		1,895,638
Total Current Liabilities.....		9,768,857
Reserve for Contingencies.....		758,486
Capital Stock and Surplus		
Common Stock—no par value		
1,500,000 shares authorized		
1,400,000 shares issued.....		19,374,156
Earned Surplus .....		<u>16,107,570</u>
		35,481,726
Less: Treasury Stock—98,680 shares.....		<u>3,520,109</u>
		31,961,617
		<u>\$ 42,488,960</u>

**AMERICAN STORES COMPANY**  
and Subsidiary Companies  
**Statement of Consolidated Income and Surplus**  
*for the Year Ended December 30, 1944*

**INCOME ACCOUNT**

**Sales**

Retail Stores .....	\$216,283,967	
U. S. Government, etc. ....	11,346,117	
Total Sales .....	227,630,084	

**Cost of Sales and Operating Expenses**

Cost of Merchandise Sold, including Warehousing and Transportation Expenses .....	\$192,366,379	
Wages, Rents, Advertising, Operating and Administrative Expenses .....	27,627,868	
Depreciation .....	1,261,465	221,255,712
Profit from Operations.....	6,374,372	

Interest on Bank Loans, etc. ....	49,170	
Less: Income from Investments, etc. ....	26,388	22,782
Profit before Income Taxes.....	6,351,590	

Federal and State Income Taxes.....	1,120,000	
Federal Excess Profits Tax (less debt retirement credit of \$358,470 and post-war refund of \$16,530).....	3,400,000	4,520,000
Net Income .....	\$ 1,831,590	

**EARNED SURPLUS**

Balance—December 31, 1943.....	\$ 15,577,300	
Net Income for year 1944.....	1,831,590	
	17,408,890	
Dividends—\$1.00 per share.....	1,301,320	
Balance—December 30, 1944.....	\$ 16,107,570	

# BARROW, WADE, GUTHRIE & CO.

ACCOUNTANTS AND AUDITORS

GIRARD TRUST BUILDING

PHILADELPHIA, PA.

*To the Board of Directors of  
American Stores Company:*

We have examined the consolidated balance sheet of American Stores Company and its subsidiary companies as of December 30, 1944, and the statement of consolidated income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. As it was not practicable to confirm receivables from the United States Government, we satisfied ourselves as to the substantial accuracy of these accounts by other means. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related statement of consolidated income and surplus present fairly the consolidated position of American Stores Company and its subsidiary companies at December 30, 1944, and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

BARROW, WADE, GUTHRIE & CO.

February 24, 1945.

# *American Stores Company*

## OFFICERS

<i>President</i> .....	William Park
<i>Vice-President and General Manager</i> .....	James K. Robinson
<i>Vice-President and Treasurer</i> .....	Wm. M. M. Robinson
<i>Vice-President and Secretary</i> .....	E. J. Flanigan
<i>Vice-President</i> .....	Fred W. Johnson
<i>Vice-President</i> .....	Wm. H. Eden
<i>Assistant Treasurer</i> .....	Wm. Gould
<i>Assistant Secretary</i> .....	J. V. Keers
<i>Assistant to President</i> .....	Fred J. Heaney

## DIRECTORS

Samuel Robinson	William Park
E. J. Flanigan	Wm. M. M. Robinson
James K. Robinson	Joseph Gilfillan
John M. Hancock	Wm. Gould
Fred J. Heaney	